# VSA CAPITAL GROUP PLC

**REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 March 2024**

Company Registration No. 04918684

## *VSA CAPITAL AT A GLANCE*

International investment banking and broking services to public and private growth companies.

### Overview

- Main trading business, VSA Capital Limited, founded in 1989
- 19 Employees
- Over 30 years of Corporate Finance and Broking experience
- Publicly traded on AQSE
- Member of the London Stock Exchange and the Aquis Stock Exchange
- FCA-Regulated
- Partnerships in Africa with Faida Investment Bank (Kenya) and Bravura Holdings (South Africa)
- Longstanding relationships in Asia and USA
- 2 Offices: London and Shanghai

### Highlights

- Turnover of £1.89m (previous year £4.36m), underlying loss of £2.40m (previous year profit £0.61m)
- Cash at year end £229k (previous year £1.27m)
- Retained Corporate Clients of VSA Capital Limited 27 (2023: 24)

### Investment Banking Advisory and Fundraising

Corporate Finance
- Financial Adviser and Broker to companies on the London Stock Exchange, AIM and Aquis Stock Exchange
- Extensive experience in both buy and sell-side transactions
- Public and private company advisory
- Independent advice to boards and management teams

Corporate Broking, Sales and Research
- Integrated approach to Corporate Finance, Research and Sales
- Long-term relationships with institutional investors, high net worth individuals and family offices
- Deal/non-deal roadshows, investor feedback
- Research: pre-IPO, secondary, deal related, thematic and macro research
- Extensive and diverse research distribution network

Equity and Debt Financing
- Public capital raisings
- Private equity and venture capital financing
- Dual-listings (London Stock Exchange, AIM and Aquis Stock Exchange)
- Royalty financing

M&A Advisory
- Specialist advice and guidance on all aspects of public and private transactions
- Acquisitions and disposals
- Public company takeovers (UK Takeover Code)
- Leveraged Buyouts (LBOs)
- Management Buyouts (MBOs)
- Demergers

Sectors
- Natural Resources
- Transitional Energy and eMobility
- Technology and Software and eCommerce
- Consumer Brands and Leisure

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*FOR THE YEAR ENDED 31 MARCH 2024*

## *COMPANY INFORMATION*

| | |
|---|---|
| **Directors** | Andrew Monk<br>Andrew Raca<br>Marcia Manarin<br>Mark Steeves |
| **Company Secretary** | Marcia Manarin |
| **Company Number** | 04918684 |
| **Registered and Head Office** | Park House, 16-18 Finsbury Circus, London, EC2M 7EB |
| **Auditors** | Hilden Park Accountants Limited<br>Chartered Accountants and Statutory Auditors<br>Hilden Park House<br>79 Tonbridge Road<br>Hildenborough<br>Kent TN11 9BH |
| **Accountants** | Bryden Johnson Limited<br>Chartered Accountants and Statutory Auditors<br>1-4 Kings Parade<br>Lower Coombe Street<br>Croydon<br>Surrey CR0 1AA |
| **Registrar** | Neville Registrars Limited<br>Neville House<br>18 Laurel Lane<br>Halesowen<br>B63 3DA |
| **Bankers** | NatWest Bank Plc<br>Parklands, 3 De Havilland Way<br>Horwich<br>Bolton BL6 4YU |

***CHAIRMAN'S STATEMENT***
***FOR THE YEAR ENDED 31 MARCH 2024***

Following what has been a very challenging year, I present the audited Annual Report and Accounts for VSA Capital Group plc, which is the holding company of the regulated investment banking and broking firm, VSA Capital Limited.

In his report, our CEO Andrew Monk details the environment in which our company and our competitors have been working during this last year. The consequence has been that a number of well-known names have disappeared. It is to the credit of Andrew Monk and his team that VSA is not one of them.

The loss for the year is obviously very disappointing. But it reflects the state of the market in which we operate. None of this should come as a surprise to our shareholders. Our results include a very significant non-cash item, being the reversal of the Silverwood Brands Plc transaction which resulted in the value attributed to the Silverwood shares being reversed. Furthermore, as for 2022/23, the results include another tranche of amortisation of £330,770 resulting from a simple restructuring that we undertook on 31 March 2021, and this is expected to repeat for another two years. Once the intangible assets are fully amortised, which we currently anticipate will be in March 2026, our accounts will no longer be affected by the amortisation charge on this asset.

On the plus side, our CEO is able to highlight the very significant £56m fundraising transaction for Invinity Energy Systems that VSA advised on following the year end. I hope that this significant achievement will mark a positive step forward for VSA in the months and years ahead.

I pay tribute to the very significant efforts during the year of my fellow directors and all our staff. And I would also like to thank our corporate clients who trust us as their advisers. During these difficult times we remain committed to them as we work together to help them build shareholder value.

Mark Steeves
Non-Executive Chairman

Date: 05/07/2024

*CEO'S REPORT*
*FOR THE YEAR ENDED 31 MARCH 2024*

## Principal Activity

The principal activities of the Group are the provision of corporate finance advisory, stockbroking, fundraising and research services to both private and public companies.

## Review of the Business

On 31 March 2021, in preparation for the IPO of the Company on the Aquis Growth Market, VSA Capital Group Plc acquired VSA Capital Limited in a reverse takeover and its results are therefore consolidated into these Group accounts for the third time in the financial statements for the year ended 31 March 2024.

## Review of the Year

There is no other way to say it, this year was horrendous. Our loss of £2.7m for the year was very disappointing and the working environment also became very unpleasant. Market conditions are the worst I have known in my 40 years working in the Financial Industry and, sadly, when times are tough some people show less honesty and integrity, which simply makes it harder for everyone, as it creates a lasting negativity even though they do not appreciate it at the time.

Turnover for the year was very distorted due to the write down of investments being negative, and so underlying turnover was £1.9mn and the underlying loss was £2.4m (also adding back amortisation) and cash fell to a year end level of £229,000. This was also lower than we had hoped due to an increase in our Debtor book to £589,157. Debtors have become an issue across the City, as many small companies struggle for cash as they cannot raise new equity; but in general payment is nearly always eventually recovered.

The decision by Silverwood Brands plc to reverse their successful transaction with the Lush stake took us completely by surprise and became a very difficult situation for VSA with legal action taken against us, which has subsequently been settled and closed. It has also had a massive negative impact on all shareholders who have seen the value collapse. Clearly this is highly disappointing for everyone, but also something we have moved on from and simply learnt a few lessons about the sort of business we want to be involved in for the future. This had a huge impact on our NAV which has fallen by 300% to £1.68m.

Our retained clients stood at 27, but our retained income will drop as we now have a new product which includes retained clients called VSA Lite and we charge less to support these companies (without research). The Lite service creates a useful bond with corporate clients which we hope will be followed by conversion to full retained clients in the future.

### Sector Focus

In the last year we continued with our core sector expertise of Natural Resources, Transitional Energy, Technology and Consumer/Leisure. However, going forward it is our intention to focus more on Natural Resources and Transitional Energy as it is in these sectors that we have the best reputation and also where there is less competition. We will continue to look after our clients in other sectors and do transactions that come our way, and where we feel we can execute, but we will give less emphasis.

***CEO'S REPORT - continued***
***FOR THE YEAR ENDED 31 MARCH 2024***

Mining is a sector of great interest going forward. Last year I wrote "Mining as a sector has seen a lack of investment now for about 15 to 20 years." Production across the industry is slowing as demand picks up and so this will result in many commodities facing a 'squeeze' at some stage in the future. Pretty much all experts agree on this, but stock markets are not responding – although inevitably, they must. Well, it did not happen last year but every year that goes by means the squeeze will be bigger, and I believe we are now at the start of a commodities bull market that will be very strong for 3-5 years, and we must take full advantage of that.

Transitional Energy is, I believe, a sector of huge potential; but again, last year was tough, although after our year-end, we did raise £56mn for Invinity Energy Systems, a Vanadium Flow Battery company we have looked after for many years. This was an exceptional deal and one of the largest fundraises in London for 2024 when we did it. We also introduced the UK Infrastructure Bank as a shareholder in their first ever quoted investment. This was a transaction to be very proud of and shows the capability of VSA.

**Equity Capital Markets**

A year ago, I worried that the equity market was in terminal decline, and I was right to be worried, as it has simply got worse over the last 12 months. It is incredible how London has been allowed to lose its international status as a premier stock market. The UK Government has shown absolutely no understanding of its importance, and the relationship between strong stock markets and strong economies, which generate more tax receipts and thus better quality services such as the NHS can be provided. Luckily the current government, which must surely rank as one of the worst ever Conservative governments, is inevitably going to be decimated in the upcoming general election. Labour is not known for supporting the City, but it could not do less and may even realise that it needs to in order to revive the economy.

We will take nothing for granted and keep a low-cost base as well as look to win deals that can be achieved even in a poor capital markets environment.

**International Reach**

We continue to have a very international reach and mindset. In the last year, we have not really broadened this, as we have been very focussed on sorting issues "back at home". It is something we believe can add value and, later in the year, I hope we can start to give more of a push to this part of our business. In the meantime, it is a capability we have and one that cost us very little.

**Outlook**

I am pleased to say that after a disastrous year last year, we have already started this year significantly better. The £56mn fundraise for Invinity Energy Systems has given us a very healthy start, and also has been a positive beacon for other companies to engage with us as very few firms in the City are capable of such a large fundraise. We had expected to land this deal in the last financial year, and in fact, we are also working on another large deal that we also expected to land last year, which we now expect will land towards the end of the current financial year. Everything is taking much longer than usual.

***CEO'S REPORT - continued***
***FOR THE YEAR ENDED 31 MARCH 2024***

This does allow us to be cautiously optimistic, but it still will not be easy in these horrific market conditions. We have also been exploring all sorts of ideas for VSA, and discussing with numerous groups, ways that could put the Company and its shareholders in a stronger position.

It is also a fact that, although I feel exceptionally young still, and believe I remain fit due to cycling to work daily, and playing a lot of sport, I am 63. It is only sensible to plan for some sort of succession that allows me to set a possible 3–5-year target for retirement. Not that I think retirement is in my vocabulary! There are numerous ways this could happen, and if I am right about a very strong bull market starting in commodities, then we could be a very valuable asset, and I believe, as the year unfolds, so will the strategic direction of VSA.

Andrew Monk
CEO

Date: 05/07/2024

***DIRECTOR'S REPORT***
***FOR THE YEAR ENDED 31 MARCH 2024***

The Directors present their report and the audited financial statements of the Group for the year ended 31 March 2024.

## Directors

The following Directors have held office during the year.

Andrew Monk
Andrew Raca
Marcia Manarin
Mark Steeves

The interests of the Directors and their immediate families is as follows:

| Name | Number of Ordinary Shares held | Percentage of Issued Share Capital | Options and Warrants held | Potential fully diluted number of Ordinary Shares | Potential percentage of fully diluted share capital |
|---|---|---|---|---|---|
| Andrew Anthony Monk | 4,361,800 | 22.4% | 3,234,300 | 7,596,100 | 24.9% |
| Andrew Joseph Raca | 998,700 | 5.1% | 3,877,200 | 4,875,900 | 16.0% |
| Marcia Coelho Manarin | Nil | Nil | 728,600 | 728,600 | 2.4% |
| Mark David Crawford Steeves | Nil | Nil | 332,200 | 332,200 | 1.1% |

The table above details the interest of the Directors in the share capital of the Company at the date of this report. The fully diluted holdings provide details of the potential maximum shareholding of the Directors if all issued warrants and options were to be exercised.

## Concert Party

As part of the restructuring taken by VSA Capital Group plc prior to IPO on the Aquis Growth Market in September 2021, VSA Capital Limited undertook a reverse takeover of the Company in compliance with the Rules of the UK Takeover Code. This led to the former shareholders of VSA Capital Limited holding 96.3% of the enlarged entity. The transaction was completed on 31 March 2021. VSA Capital Group plc now owns 100% of VSA Capital Limited.

As a consequence, a 'concert party' as defined by the UK Takeover Code technically came into existence and simply comprised a group of shareholders who were 'swept up' into this definition.

In accordance with the UK Takeover Code, VSA Capital therefore has a concert party, consisting of Andrew Monk, Andrew Raca, Basil Shiblaq, Gordon Lawson, Gavin Casey, Lesley Casey, Louise Lawson, Philip Hardy, Wei Chen, Feizhou Zheng, Lee Chong Liang, Teong Tiek Wah, Soon Beng Gee, Ruiwen (Andy) Chen and Jeremy Bridge.

As of the date of this report, as far as can be ascertained by the Directors, the concert party members hold the following interests in the Company's share capital:

***DIRECTOR'S REPORT - continued***
***FOR THE YEAR ENDED 31 MARCH 2024***

| Concert Party member | Current interest in issued ordinary share capital | % of the issued ordinary share capital | Options and warrants held | Maximum interest in the enlarged issued share capital | Percentage of enlarged issued share capital |
|---|---|---|---|---|---|
| Andrew Monk | 4,361,800 | 22.4% | 3,234,300 | 7,596,100 | 24.9% |
| Andrew Raca | 998,700 | 5.1% | 3,877,200 | 4,875,900 | 16.0% |
| Ruiwen Chen | 40,000 | 0.2% | 289,300 | 329,300 | 1.1% |
| Wei Chen | 4,433,400 | 22.8% | - | 4,433,400 | 14.5% |
| G & L Casey | 3,048,600 | 15.7% | - | 3,048,600 | 10.0% |
| Feizhou Zheng | 1,083,700 | 5.6% | - | 1,083,700 | 3.6% |
| Basil Shiblaq | 36,700 | 0.2% | - | 36,700 | 0.1% |
| Lee Chong Liang | 295,500 | 1.5% | - | 295,500 | 1.0% |
| Teong Tiek Wah | 295,500 | 1.5% | - | 295,500 | 1.0% |
| Soon Beng Gee | 295,500 | 1.5% | - | 295,500 | 1.0% |
| Gordon Lawson | 184,300 | 0.9% | - | 184,300 | 0.6% |
| Louise Lawson | 184,300 | 0.9% | - | 184,300 | 0.6% |
| Philip Hardy | 184,700 | 1.0% | - | 184,700 | 0.6% |
| Jeremy Bridge | 46,900 | 0.2% | - | 46,900 | 0.2% |
| **Total** | **15,489,600** | **79.5%** | **7,400,800** | **22,890,400** | **75.2%** |

The concert party's net aggregate holding currently amounts to 79.5% of the issued share capital of the Company.

## Directors' Responsibilities for the Financial Statements

The Directors are responsible for preparing the Directors' report, the strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the United Kingdom. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the United Kingdom have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and which disclose with reasonable accuracy at any time the financial position of the Group and Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

***DIRECTOR'S REPORT - continued***
***FOR THE YEAR ENDED 31 MARCH 2024***

**Strategic Report**

Information required to be included in the Directors' Report has been set out instead in the Strategic Report. This includes principal risks and uncertainties and future developments contained in the review of the business.

**Financial Risk Management and Objectives**

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising returns to shareholders. The credit risk on accounts receivable is monitored by senior management. To limit exposure to credit risk, most engagements require that fees are paid during activity being undertaken and on successful completion.

Ultimate responsibility for liquidity risk management rests with the board of Directors, which has devised an appropriate strategy for liquidity risk management. The Company manages its liquidity risk by maintaining adequate reserves and cash resources to meet its day-to-day requirements. The Group's exposure to market price risk mainly arises from potential movements in the fair value of its investments. The management meets regularly to consider investment strategy in respect of the Group's portfolio.

**Statement of Disclosure to Auditors**

The Directors, who were members of the Board at the time of approving the Directors' Report, are listed on page 10 and confirm that:

- to the best of each Director's knowledge and belief, there is no relevant audit information (information needed by the Group's auditors in connection with preparing their report) of which the Company's auditors are unaware; and

- each Director has taken all steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Group's auditors are aware of that information.

**Auditors**

Hilden Park Accountants Limited has expressed its willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

By Order of the Board

Andrew Monk
Director

Date: 05/07/2024

*STRATEGIC REPORT*
*FOR THE YEAR ENDED 31 MARCH 2024*

## Review of business

The principal activity and review of the business is included in the CEO's report on page 6.

## Review of the year

The review of the year is described in detail in the CEO's report on pages 6 to 8.

## Key performance indicators

***Reported (accounting) profit / loss***
Year ended 31 March 2024: Loss of £2,694,457 (2023: Profit of £251,203, as restated)

***Underlying Profits / losses***
Underlying loss of £2,400,198 after adding back amortisation of £330,770 (2023: underlying profit of £611,531 after adding back amortisation of £330,770)

***Cash***
£229k (2023: £1.27m)

***Retained Corporate Clients***
27 (27 clients of VSA Capital Limited) which is an increase of 3 from 2023

## Principal risks and uncertainties

The principal area of risk is reduced gross revenue due to market conditions or lack of engagement mandates. New business risk is managed by market research into new client base opportunities and building relationships alongside existing contracts to spread the capacity of the company to provide its services.

VSA services the energy sector and concentration of risk is a consideration for senior management. Within this sector VSA offers diversified services and hopes to mitigate its specific concentration risks to an acceptable level taking into account energy sub sectors (i.e. transitional energy) and geographical and geo-political concentration. VSA as part of its strategic and business plans has started to diversify and now also operates in the TMT sector. The receivables position is another risk factor which is monitored weekly to ensure that payments are received on time.

Any economic or political factors either domestically or internationally are regularly monitored and their impact is deliberated at a senior level prior to committing VSA to any risk exposure. VSA Capital does not engage with companies domiciled or operating assets in countries subject to sanctions by the UK. Due Diligence includes a review of the shareholder register checked against current OFAC and UK HM Treasury Sanctions Lists.

*STRATEGIC REPORT - continued*
*FOR THE YEAR ENDED 31 MARCH 2024*

## Statement by the Directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

The board of Directors of VSA Capital Group plc consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and members set out in s172(1)(a-f) of the act) in the decisions taken during the year ended 31 March 2024.

## Dividends

No dividends were declared during the period under review.

## Going Concern

After making appropriate enquiries, the Directors consider, at the time of approving the financial statements, the Company has the resources and the pipeline of business to continue in operational existence for the foreseeable future. As a result of this view, the going concern basis has been adopted in preparing the financial statements.

On behalf of the Board

Andrew Monk
CEO

Date: 05/07/2024

***REPORT OF THE INDEPENDENT AUDITORS***
***TO THE SHAREHOLDERS OF VSA CAPITAL GROUP PLC***
***FOR THE YEAR ENDED 31 MARCH 2024***

## Opinion

We have audited the financial statements of VSA Capital Group plc (the Group and the Company) for the year ended 31 March 2024 which comprise the Group statement of comprehensive income, the Group and company balance sheets, the Group statement of changes in equity, the Group and Company cash flow statements, the notes to the cash flow statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Financial Reporting Standards (IFRSs).

In our opinion the financial statements:

- give a true and fair view of the state of the Group and the Company's affairs as at 31 March 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by United Kingdom; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions Relating to Going Concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

## Other information

The Directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

***REPORT OF THE INDEPENDENT AUDITORS - continued***
***TO THE SHAREHOLDERS OF VSA CAPITAL GROUP PLC***
***FOR THE YEAR ENDED 31 MARCH 2024***

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

***REPORT OF THE INDEPENDENT AUDITORS - continued***
***TO THE SHAREHOLDERS OF VSA CAPITAL GROUP PLC***
***FOR THE YEAR ENDED 31 MARCH 2024***

**Our responsibilities for the audit of the financial statements**
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which our procedures are capable of detecting irregularities, including fraud:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and parent company, and determined that the most significant which have a direct material effect on the amounts and disclosures in the financial statements are the Companies Act 2006 and International Financial Reporting Standards as adopted by the United Kingdom.

We also identified other laws and regulations which do not have a direct effect on the amounts and disclosures in the financial statements, but which compliance is fundamental to the entity's operations including Employment Law, Health and Safety Law, Data Protections Laws (including UK General Data Protection Regulation (GDPR) and the Financial Conduct Authority (FCA) Regulations and enquires were made with management regarding procedures in place to ensure compliance.

Having reviewed the laws and regulations applicable to the group and parent company, we designed and performed audit procedures to obtain sufficient appropriate evidence. Specifically we:

- Assigned an engagement team to the audit that collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.

- Enquired with management on any non compliance with laws and regulations.
- Reviewed the legal expense accounts and legal correspondence to identify potential litigation or claims involving the entity.

- Reviewed internal policies and procedures and external guidance.
- Reviewed the completeness and accuracy of associated disclosures made in the financial statements.

We assessed the susceptibility of the group and company's financial statements to material misstatement and fraud and in doing so:

***REPORT OF THE INDEPENDENT AUDITORS - continued***
***TO THE SHAREHOLDERS OF VSA CAPITAL GROUP PLC***
***FOR THE YEAR ENDED 31 MARCH 2024***

- Considered whether there were areas of the financial statements particularly susceptible to fraud and enquired with management as to any known or suspected instances of fraud and their assessment of fraud risk.

- Considered whether management have incentives and opportunities to manipulate financial results and determined the key audit risks related to completeness of income, management override of controls, fixed asset investments, right of use asset and lease liability and the share based payments valuation.

- The risk of management override of controls has been reviewed and audited, including through testing journal entries, accounting estimates and other adjustments for appropriateness. Furthermore, analytical procedures were undertaken to identify any unusual or unexpected relationships and transactions and the rationale behind these was investigated.

- The risk of completeness of income has been reviewed and audited, including through substantive testing, along with a review of the appropriateness of the accounting policy concerning income recognition and completing detailed cut off testing either side of the balance sheet date.

- Designed and performed audit procedures to obtain sufficient appropriate evidence including substantive testing in relation to fixed asset investments, right of use asset and lease liability and the share based payments valuation.

The audit has been planned and performed in such a way as to best identify risks of material misstatement, however the inherent limitations of audit procedures means that there remains a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, override of controls, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

## Use of our Report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

***REPORT OF THE INDEPENDENT AUDITORS - continued***
***TO THE SHAREHOLDERS OF VSA CAPITAL GROUP PLC***
***FOR THE YEAR ENDED 31 MARCH 2024***

Paul Matthews FCA (Senior Statutory Auditor)
**For and on behalf of Hilden Park Accountants Limited**
Chartered Accountants & Statutory Auditors
Hilden Park House
79 Tonbridge Road
Hildenborough
Kent
TN11 9BH

Date: 05/07/2024

## *GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024*

| | Notes | 2024 | 2023 as restated |
|---|---|---|---|
| | | £ | £ |
| Turnover | 4 | 1,887,528 | 4,358,875 |
| Cost of sales | | (180,146) | (166,179) |
| Gross profit | | 1,707,382 | 4,192,696 |
| Other operating income | | 54,000 | 39,000 |
| Administrative expenses | | (2,828,018) | (3,090,564) |
| Operating (Loss) / Profit | | (1,066,636) | 1,141,132 |
| Finance (expenses)/income | 9 | 5,560 | (721) |
| (Losses) on investments | | (1,669,892) | (859,650) |
| (Loss) / Profit on ordinary activities before tax | 5 | (2,730,968) | 280,761 |
| Tax on Profit on ordinary activities | 10 | 36,511 | (29,558) |
| (Loss) / Profit for the year | | (2,694,457) | 251,203 |
| Other Comprehensive Income | | - | - |
| **Total Comprehensive Income** | | (2,694,457) | 251,203 |

The statement of comprehensive income has been prepared on the basis that all operations in the year ended 31 March 2024 are continuing operations.

There were no discontinued operations during the current financial year.

## *GROUP AND COMPANY BALANCE SHEET*
## *FOR THE YEAR ENDED 31 MARCH 2024*

| | Notes | 2024 Group | 2023 Group as restated | 2024 Company | 2023 Company as restated |
|---|---|---|---|---|---|
| **ASSETS** | | £ | £ | £ | £ |
| **Non-current assets** | | | | | |
| Property, plant & equipment - owned | **12** | 51,527 | 77,515 | - | - |
| Property, plant & equipment - right of use | **12** | 292,546 | 468,900 | - | - |
| Intangible assets | **11** | 661,540 | 992,311 | - | - |
| Deferred tax asset | **19** | 54,209 | 108,349 | - | - |
| Investment in subsidiaries | **13** | - | - | 3,873,996 | 3,873,996 |
| Total non-current assets | | 1,059,822 | 1,647,075 | 3,873,996 | 3,873,996 |
| **Current assets** | | | | | |
| Investments | **14** | 374,970 | 2,141,416 | 2,684 | 6,322 |
| Trade and other receivables | **15** | 797,558 | 381,464 | 233,057 | 49,041 |
| Cash and cash equivalents | **16** | 229,264 | 1,273,122 | 24,560 | 267,292 |
| Total current assets | | 1,401,792 | 3,796,002 | 260,301 | 322,655 |
| **TOTAL ASSETS** | | 2,461,614 | 5,443,077 | 4,134,297 | 4,196,651 |
| **EQUITY AND LIABILITIES** | | | | | |
| Share capital | **20** | 3,523,547 | 3,523,547 | 3,523,547 | 3,523,547 |
| Share premium | **20** | 418,057 | 418,057 | 418,057 | 418,057 |
| Share-based payments reserve | **21** | 4,731 | 13,892 | 4,731 | 13,892 |
| Accumulated profits/(losses) | | (2,286,696) | 407,761 | 175,216 | 214,159 |
| Total equity | | 1,659,639 | 4,363,257 | 4,121,551 | 4,169,655 |
| **LIABILITIES** | | | | | |
| **Current liabilities** | | | | | |
| Trade and other payables | **17** | 512,002 | 529,199 | 12,746 | 26,996 |
| Finance liabilities - borrowings | **18** | 216,836 | 216,566 | - | - |
| Total current liabilities | | 728,838 | 745,765 | 12,746 | 26,996 |
| **Non-current liabilities** | | | | | |
| Finance liabilities - borrowings | **18** | - | 216,830 | - | - |
| Deferred tax liabilities | **19** | 73,137 | 117,225 | - | - |
| Total non-current liabilities | | 73,137 | 334,055 | - | - |
| **TOTAL EQUITY AND LIABILITIES** | | 2,461,614 | 5,443,077 | 4,134,297 | 4,196,651 |

The financial statements were approved by the Board of Directors on 05/07/2024 and were signed on its behalf by:

Andrew Monk
Director

Andrew Raca
Director

## *GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024*

| | Share Capital | Share Premium | Share based payments reserve | Retained Earnings | Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| **As 1 April 2022** | 3,523,547 | 418,057 | 51,585 | 169,094 | **4,162,283** |
| Effect of change in accounting standard | - | - | - | (12,536) | **(12,536)** |
| **As restated at 1 April 2022** | 3,523,547 | 418,057 | 51,585 | 156,558 | **4,149,747** |
| Total comprehensive income as restated | - | - | - | 251,203 | **251,203** |
| Movement in share based premium reserve | - | - | (37,693) | - | **(37,693)** |
| **As restated at 1 April 2023** | **3,523,547** | **418,057** | **13,892** | **407,761** | **4,363,257** |
| Total Comprehensive Income | - | - | - | (2,694,457) | **(2,694,457)** |
| Movement in share based premium reserve | - | - | (9,161) | - | **(9,161)** |
| **At 31 March 2024** | **3,523,547** | **418,057** | **4,731** | **(2,286,696)** | **1,659,639** |

## *COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024*

| | Share Capital | Share Premium | Share based payments reserve | Retained Earnings | Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| **At 1 April 2022** | 3,523,547 | 418,057 | 51,585 | 218,990 | **4,212,179** |
| Total comprehensive income | - | - | - | (4,831) | **(4,831)** |
| Movement in share based premium reserve | - | - | (37,693) | - | **(37,693)** |
| **At 1 April 2023** | **3,523,547** | **418,057** | **13,892** | **214,159** | **4,169,655** |
| Total Comprehensive Income | - | - | - | (38,943) | **(38,943)** |
| Movement in share based premium reserve | - | - | (9,161) | - | **(9,161)** |
| **At 31 March 2024** | **3,523,547** | **418,057** | **4,731** | **175,216** | **4,121,551** |

## *GROUP AND COMPANY CASHFLOW STATEMENT*
## *FOR THE YEAR ENDED 31 MARCH 2024*

| | Notes | 2024 Group £ | 2023 Group £ | 2024 Company £ | 2023 Company £ |
|---|---|---|---|---|---|
| **Net cash generated/(used) in operating activities** | | | | | |
| Profit / (loss) before income tax | | (2,730,968) | 280,761 | (38,943) | (4,831) |
| Tax paid | | (46,563) | - | - | - |
| Depreciation and amortisation | | 536,458 | 540,043 | - | - |
| Loss / (gain) on current asset investments | | 1,669,892 | 859,650 | 3,638 | 6,394 |
| Sales settled by shares | | - | (2,277,074) | - | - |
| (Increase)/decrease in trade / other receivables | | (275,529) | 107,468 | (184,016) | (47,509) |
| Increase / (decrease) in trade / other payables | | 29,365 | (13,427) | (14,250) | 11,306 |
| Change in share based payments reserve | | (9,161) | (37,693) | (9,161) | (37,693) |
| NET CASH (GENERATED)/USED IN OPERATING ACTIVITIES | | (826,506) | (540,272) | (242,732) | (72,333) |
| **Net cash generated from/(used in) investing activities** | | | | | |
| Proceeds from disposal of plant, property and equipment | | - | - | - | - |
| Purchases of plant, property and equipment | | (3,346) | (2,671) | - | - |
| Proceeds from other investing activities | | 101,834 | 280,215 | - | - |
| Other investments – additions | | (99,280) | (312,437) | - | - |
| Dividends received | | - | - | - | - |
| NET CASH (GENERATED)/USED IN INVESTING ACTIVITIES | | (792) | (34,893) | - | - |
| **Cash flows from financing activities** | | | | | |
| Share capital issue | | - | - | - | - |
| Purchase of shares into treasury | | - | - | - | - |
| Finance lease repayments | | (216,560) | (161,716) | - | - |
| NET CASH GENERATED/(USED) FROM FINANCING ACTIVITIES | | (216,560) | (161,716) | - | - |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | | (1,043,858) | (736,881) | (242,732) | (72,333) |
| Cash and cash equivalents at beginning of period | | 1,273,122 | 2,010,003 | 267,292 | 339,625 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | **16** | 229,264 | 1,273,122 | 24,560 | 267,292 |

# *NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024*

**1 Statutory Information,**

VSA Capital Group plc is a public limited company limited by shares, is listed on the Aquis Stock Exchange, is incorporated in the UK and registered in England and Wales (Company Number 04918684). The Company's registered and head office is at Park House, 16-18 Finsbury Circus, London, United Kingdom, EC2M 7EB.

**2 Going Concern**

The financial statements have been prepared on a going concern basis. The continuing operations of the group had cash and cash equivalents of £229,264 as at 31 March 2024.

The group's activities, together with factors likely to affect its future development, performance and position are set out in the Strategic and Directors Report on pages 9 to 13. The Strategic Report also includes the group's policies and processes for managing its business risk objectives.

Management has prepared forecasts for the company which show the sustainable cash flows will be generated from the company's activities.

**3 Significant Accounting Policies**

***Basis of preparation***

These financial statements have been prepared in accordance with International Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, unless otherwise stated in the financial statements.

The financial statements are presented in pounds sterling and rounded to the nearest pound.

***Statement of compliance***

The financial statements comply with International Financial Reporting Standards as adopted by the United Kingdom.

No new standards or amendments have materially affected the Group in respect of these financial statements. Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2024 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

***Critical accounting judgements and key sources of estimation uncertainty***

In the application of the accounting policies, we are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Our estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revisions and future periods if the revision affects both current and future periods.

The following are the critical judgments that we have made in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements presented elsewhere in this annual report.

***Impairment of receivables***

Provision will made against debtors for old debts where the Directors believe that the amount due to be received may not be recoverable. The impairs receivable balance provided in the Group balance sheet at 31 March 2024 amounts to £Nil (2023: £165,367).

***Basis of consolidation***

The Group's consolidated financial statements incorporate the financial statements of VSA Capital Group plc (the "Company") and entities controlled by the Company (its subsidiaries). Subsidiaries are entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

## *NOTES TO THE FINANCIAL STATEMENTS - continued*
## *FOR THE YEAR ENDED 31 MARCH 2024*

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's loss for the year was £38,943 (2023: £4,831).

***Revenue recognition***
Revenue includes the net profit/loss on principal trading which is recognised when the trade is complete, commission income and other fees which are recognised when the relevant performance obligation is satisfied - for corporate finance work this is usually the date on which a deal is completed - and revenue also includes the fair value of options and warrants over securities which have been received as consideration for corporate finance services rendered and is recognised on completion of the services provided in accordance with the contract. Revenue from Stock Exchange transactions are determined under the principles of trade date accounting. Dividends and interest arising on bull and bear positions in securities form part of dealing profits and, because they are also reflected by movements in market prices, are not identified separately. Interest is recognised on a time-proportion basis using the effective interest method.

The Group also has retained clients where turnover is recognised according to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the duration of the contract with the period in the year that the service was provided.

Revenue is measured at the transaction price, being the fair value of the consideration received or receivable. Payment terms are usually on invoice. Contracts with customers do not contain a financing component nor any element of variable consideration.

***Business combinations***
The acquisition of subsidiaries is accounted for using the acquisition method under IFRS 3. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except for non-current assets (or disposal Groups) that are classified as held for resale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities exceed the cost of the business combination, the excess is recognised immediately in the income statement.

***Intangible assets***
Intangible assets consist of the contracts purchased with acquisition of VSA Capital Limited on 31 March 2021.

Amortisation is recognised using the straight-line basis and results in the carrying amount being expensed in the profit and loss account over the estimated useful life of the contracts which is five years.

***Property, plant and equipment***
Property, plant and equipment consists of fixtures and fittings and office equipment which are carried under the cost model where the assets are stated at cost less depreciation and accumulated impairment losses.

Right of use assets consist of an office lease which is carried under the cost model. Right of use assets are depreciated over the shorter of the lease term and the useful life of the underlying asset. Depreciation starts at the commencement date of the lease.

Depreciation is charged so as to write-off the cost of assets less any residual value, over their estimated useful lives, using the straight-line method, on the following bases:

## *NOTES TO THE FINANCIAL STATEMENTS - continued*
## *FOR THE YEAR ENDED 31 MARCH 2024*

| | |
|---|---|
| • Short leasehold | over remaining term of lease |
| • Fixtures and fittings | 20% straight line |
| • Office equipment | 33% straight line |

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable

***Financial assets***
Investments are recognised and derecognised on trade date. Financial assets are classified into the following specified categories: "financial assets at fair value through profit or loss" (FVTPL), "cash and cash equivalents" and "loans and receivables". The classification depends on the nature and purpose of the financial asset and is determined at the time of initial recognition. Fair value is determined using available quoted market prices and industry accepted valuation techniques.

***Financial assets at fair value through profit or loss***
Financial assets are held at FVTPL when the financial asset is held for trading or is designated as FVTPL. Such assets are held for trading or are acquired principally for the purpose of selling in the near term and are initially measured at fair value. Subsequently and at each reporting date these investments are measured at their fair values with the resultant gains or losses arising from changes in fair value being taken to profit or loss within investment income. Financial assets at FVTPL include listed securities and options over securities which have been received as consideration for corporate finance services rendered. The Black Scholes method of valuation is used to value options held by the Group.

***Trade and other receivables***
Trade and other receivables are initially measured at fair value and are subsequently measured at cost less provision for impairment. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due. The amount of any provision is recognised in profit or loss.

***Cash and cash equivalents***
Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less.

***Impairment of financial assets***
Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the original recognition of the financial asset the estimated future cash flows of the investment have been impacted. For loans and receivables the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly.

***Financial liabilities and equity instruments***
Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received net of direct issue costs.

***Short term borrowings***
Short term borrowings are recognised initially at their fair value and subsequently measured at amortised cost less settlement payments.

***Equity***
An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received net of direct issue costs.

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Share capital account represents the nominal value of the shares issued.

Retained earnings include all current and prior period results as disclosed in the Statement of Comprehensive Income.

***Trade and other payables***
Trade and other payables are initially measured at fair value and are subsequently measured at amortised cost.

## *NOTES TO THE FINANCIAL STATEMENTS - continued*
## *FOR THE YEAR ENDED 31 MARCH 2024*

***Operating leases***
Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

***Taxation***
Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities, based on tax rates and laws that are enacted by the balance sheet date. Income tax is recognised in the income statement unless it relates to items that are credited or charged to equity in which case it is also charged or credited to equity.

Deferred income tax is provided on all temporary differences at the balance sheet date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, with the following exceptions:

where the temporary difference arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;

in respect of taxable temporary differences associated with investments in subsidiaries, where the timing reversal of temporary differences can be controlled, and it is probable that the temporary differences will not reverse in the foreseeable future; and

deferred income tax assets are recognised only to the extent that it is probable that taxable profits will be available against which deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised, based on tax rates and laws enacted or substantially enacted at the balance sheet date.

***Share based payments***
Certain employees and Directors of the Group received equity settled remuneration in the form of Company share options. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense to the income statement on a straight-line basis over the vesting period and a corresponding amount is reflected in the profit and loss reserves in shareholders' equity adjusted at each balance sheet date to take into account actual and expected level of vesting. The charge is calculated as being the fair value of the shares or the right to the shares at the date of grant. Fair value is measured using a modified Black-Scholes option pricing model and is based on a reasonable expectation of the extent to which performance criteria will be met.

***Foreign currency translation***
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

### 4 Revenue

***Segmental reporting***
Group Revenue of £1,887,528 (2023: £4,358,875) comprises:

Corporate Finance fees of £972,906 (2023: £3,455,272);
Broking fees of £734,574 (2023: £711,950);
Bond trading of £78,306 (2023: £85,212),
Research fees of £88,000 (2023: £102,083); and,
Other income of £13,742 (2023: £4,358).

### 5 (Loss) / Profit Before Income Tax

| | **31/3/24** | 31/3/23 |
|---|---|---|
| | £ | £ |
| **Depreciation - owned assets** | 29,335 | 32,919 |
| **Depreciation - assets on hire purchase contracts** | 176,353 | 176,354 |
| **Amortisation** | 330,770 | 330,770 |
| **Auditors' remuneration** | 47,400 | 50,250 |
| **Foreign Exchange differences** | 5,459 | (18,257) |

## *NOTES TO THE FINANCIAL STATEMENTS - continued*
## *FOR THE YEAR ENDED 31 MARCH 2024*

### 6 Employees and Directors (Group)

| | **31/3/24** | 31/3/23 |
|---|---:|---:|
| | £ | £ |
| **Wages and salaries** | 1,527,505 | 1,738,138 |
| **Social security costs** | 174,004 | 223,792 |
| **Other pension costs** | 35,139 | 32,526 |
| | **1,736,648** | **1,994,456** |

The average number of employees during the year was as follows:

| | **31/3/24** | 31/3/23 |
|---|---:|---:|
| **Directors** | 4 | 5 |
| **Corporate finance** | 7 | 6 |
| **Research and sales** | 7 | 7 |
| **Account and administration** | 1 | 3 |
| | **19** | **21** |

| | **31/3/24** | 31/3/23 |
|---|---:|---:|
| | **£** | £ |
| **Directors' remuneration** | 486,458 | 688,478 |
| **Directors' social security** | 59,934 | 86,344 |
| **Directors' pension contributions to money purchase schemes** | 8,684 | 8,471 |
| | **555,076** | **783,293** |

The number of Directors to whom retirement benefits were accruing was as follows:

| | | |
|---|---:|---:|
| **Money purchase schemes** | **2** | 2 |

Information regarding the highest paid Director is as follows:

| | **31/3/24** | 31/3/23 |
|---|---:|---:|
| | **£** | £ |
| **Emoluments etc** | 182,250 | 269,276 |
| **Pension contributions to money purchase schemes** | - | - |

### 7 Accounting Estimates and Judgements

The preparation of accounts requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates. The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

***Valuation of trade receivables***
In assessing the recoverability of trade receivables, the Group uses historic performances to estimate likely future cash flows from contractual debt. Assumptions are required to be made about indicators of recoverability and any required provisions.

***Fair value of unlisted investments***
Unlisted investments are held at fair value. Gains and losses are recognised in the statement of comprehensive income. The price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the entity can demonstrate that the last transaction price is not a good estimate of fair value (e.g. because it reflects the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distress sale), that price is adjusted.

## *NOTES TO THE FINANCIAL STATEMENTS - continued*
## *FOR THE YEAR ENDED 31 MARCH 2024*

### 8 Employees and Directors

During the year there were no employees in the Company other than the four Directors (2023: 5 Directors). None of the Directors received any remuneration from the Company in either year, but instead were remunerated through the Company's subsidiary, VSA Capital Limited. The Directors have warrants and options in the Company as disclosed in note 20.

### 9 Net finance income

| | | |
|---|---|---|
| Finance income: deposit account interest | **2024: £6,977** | 2023: £1,936 |
| **Financial Income** | **2024: £6,977** | 2023: £1,936 |
| | | |
| Finance costs: finance lease interest | **2024: (£1,417)** | 2023: (£1,035) |
| Finance costs: other interest | **2024: Nil** | 2023: (£1,622) |
| **Financial Expenses** | **2024: (£1,417)** | 2023: (£2,657) |
| | | |
| **Total** | **2024: £5,560** | **2023: (£721)** |

### 10 Tax (credit) / charge

***Analysis of the tax charge***

Corporation tax is payable on investment income.

***Factors affecting the tax charge***

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

| | **2024** | 2023 as restated |
|---|---|---|
| | **£** | £ |
| Profit / (loss) on ordinary activities before tax | **(2,730,967)** | 280,761 |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25% (2023: 19%) | **(682,742)** | 53,345 |
| Effects of: | | |
| Tax losses utilised | **(46,563)** | (75,768) |
| Unutilised tax losses carried forward | **524,164** | - |
| Tax paid on Investment Income | **-** | 8,338 |
| Other adjustments | **97,311** | 47,303 |
| Tax losses carried back | **61,267** | - |
| Deferred tax adjustments | **10,052** | (3,660) |
| Tax (Credit) / Charge | **(36,511)** | 29,558 |

Due to the uncertainty of the timing of taxable profits for the Company in the future, a deferred tax asset in respect of the tax losses has not been included in the accounts. Tax losses of £4.8m (2023: £2.7m) have been carried forward as at 31 March 2024. The rate of corporation tax rose to 25% in 2024 from 19% in 2023.

### 11 Intangible assets - Group

| | |
|---|---|
| **Cost** | **£** |
| At 1 April 2023 and 31 March 2024 | 1,653,851 |
| **Amortisation** | |
| At 1 April 2023 | 661,540 |
| Charge for the year | 330,771 |
| At 31 March 2024 | **992,311** |
| **Net book value** | |
| **At 31 March 2024** | **661,540** |
| At 31 March 2023 | 992,311 |

Other intangible assets relate to the value of contracts purchased with the acquisition of VSA Capital Limited on 31 March 2021.

## *NOTES TO THE FINANCIAL STATEMENTS - continued*
## *FOR THE YEAR ENDED 31 MARCH 2024*

### 12 Property, plant and equipment (Group)

| | Leasehold Property | Office Equipment | Furniture and Fittings | Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Cost** | | | | |
| At 1 April 2023 | 733,430 | 30,621 | 99,526 | 863,577 |
| Additions | - | - | 3,346 | 3,346 |
| Disposals | - | - | - | - |
| **At 31 March 2024** | **733,430** | **30,621** | **102,872** | **866,923** |
| **Depreciation** | | | | |
| At 1 April 2023 | 264,530 | 17,254 | 35,378 | 317,162 |
| Charge for the year | 176,353 | 3,179 | 26,156 | 205,688 |
| Disposals | - | - | - | - |
| **At 31 March 2024** | **440,883** | **20,433** | **61,533** | **522,850** |
| **Net book value as at 31 March 2024** | **292,546** | **10,188** | **41,339** | **344,073** |
| Net book value as at 31 March 2023 | 468,900 | 13,367 | 64,148 | 546,415 |

The leasehold property with a net book value of £292,546 (2023: £468,900) is a right-of-use asset and is disclosed separately on the face of the Balance Sheet.

### 13 Investment in subsidiary - company

| | |
|---|---|
| **COST** | **£** |
| At 1 April 2023 and 31 March 2024 | 4,885,092 |
| **IMPAIRMENT** | |
| At 1 April 2023 and 31 March 2024 | 1,011,096 |
| **NET BOOK VALUE** | |
| **At 31 March 2024** | **3,873,996** |
| At 31 March 2023 | 3,873,996 |

VSA Capital Group plc acquired VSA Capital Limited on 31 March 2021.

| Name of undertaking | Registered Office | Class of shares held | % held direct |
|---|---|---|---|
| VSA Capital Limited | Park House, 16-18 Finsbury Circus, London, United Kingdom, EC2M 7EB | Ordinary and deferred | 100 |

### 14 Investments

| | 2024 Group | 2023 Group | 2024 Company | 2023 Company |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Securities and warrants | **374,970** | 2,141,415 | **2,684** | 6,322 |

All investments are classified at fair value through profit and loss. The quoted securities comprise equities quoted on the London Stock Exchange (**2024 Group: £142,824**, 2023: £193,613, **2024 company: £1,334**, 2023: £1,986), listed on Aquis (**2024 Group: £127,004**, 2023: £1,945,390, **2024 company: £1,350**, 2023: £4,336), unlisted private companies (**2024 Group: £99,108**, 2023: £nil, **2024 company: £nil**, 2023: £nil) and on the Canadian Stock Exchange (**2024 Group: £6,034**, 2023: £2,413, **2024 company: £nil**, 2023: £nil).

## *NOTES TO THE FINANCIAL STATEMENTS - continued*
## *FOR THE YEAR ENDED 31 MARCH 2024*

### 15 Trade and other receivables

| | Group 2024 £ | Group 2023 £ | Company 2024 £ | Company 2023 £ |
|---|---|---|---|---|
| Trade receivables | **589,157** | 306,204 | **-** | 48,000 |
| Other receivables | **208,401** | 75,260 | **233,057** | 1,041 |
| | **797,558** | 381,464 | **233,057** | 49,041 |

No interest is charged on outstanding trade receivables. The Directors consider that the carrying amount of trade and other receivables is approximately equal to the fair value. The company reviews all receivables for impairment and makes a provision against a debtor when it is considered more likely than not that the debt will not be recoverable. At 31 March 2024 a provision for impairment of £Nil has been made (2023: £165,367).

### 16 Cash

| | Group 2024 £ | Group 2023 £ | Company 2024 £ | Company 2023 £ |
|---|---|---|---|---|
| Cash at bank | **229,264** | 1,273,122 | **24,560** | 267,292 |

### 17 Trade and other payables

| | Group 2024 £ | Group 2023 £ | Company 2024 £ | Company 2023 £ |
|---|---|---|---|---|
| Trade payables | **264,245** | 36,102 | **270** | 238 |
| Taxation and social security | **58,167** | 103,901 | **-** | 6,281 |
| Other payables | **20,148** | 477 | **476** | 477 |
| Accruals and deferred income | **169,442** | 388,719 | **12,000** | 20,000 |
| | **512,002** | 529,199 | **12,746** | 26,996 |

### 18 Financial liabilities - borrowings

| | Group 2024 £ | Group 2023 £ | Company 2024 £ | Company 2023 £ |
|---|---|---|---|---|
| Leases - current | **216,836** | 216,566 | **-** | - |
| Leases - non-current (one to five years) | **-** | 216,830 | **-** | - |
| Total | **216,836** | 433,396 | **-** | - |

Group finance charges repayable within one year amount to £169 (2023: £440) and repayable between one and five years amounts to £Nil (2023: £169). Gross obligations charges repayable within one year amount to £217,005 (2023: £217,006) and repayable between one and five years amounts to £Nil (2023: £216,999).

At inception of the contract, the company assesses whether a contract is, or contains, a lease. It recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee. The right-of-use assets and the lease liabilities are presented as separate line items in the statement of financial position.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate. It is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

## *NOTES TO THE FINANCIAL STATEMENTS - continued*
## *FOR THE YEAR ENDED 31 MARCH 2024*

The right-of-use assets comprise the initial measurement of the corresponding lease liability, plus lease payments made on or before the commencement day, less any lease incentives received and plus any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

### 19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

| | Group asset as restated £ | Company asset as restated £ | Group liability as restated £ | Company liability as restated £ |
|---|---|---|---|---|
| **At 1 April 2022** | | | | |
| Deferred tax liability on right of use assets | - | - | 161,314 | - |
| Deferred tax asset on lease liabilities | (148,778) | - | - | - |
| **Deferred tax movements in prior year** | | | | |
| Charge / (credit) to profit of loss | 40,429 | - | (44,089) | - |
| **At 1 April 2023** | | | | |
| Deferred tax liability on right of use assets | - | - | 117,225 | - |
| Deferred tax asset on lease liabilities | (108,349) | - | - | - |
| **Deferred tax movements in current year** | | | | |
| Charge / (credit) to profit or loss | 54,140 | - | (44,088) | - |
| **Liability at 31 March 2024** | **-** | - | **73,137** | - |
| **Asset at 31 March 2024** | **(54,209)** | - | **-** | - |

### 20 Called up share capital

***Allotted, issued and fully paid***
Movements in the Ordinary and Deferred Shares during the year were as follows:

| | Number | Nominal Value of Share Capital £ | Share premium £ |
|---|---|---|---|
| At 1 April 2023 (nominal value 1p per Ordinary share) | 19,428,966 | 194,290 | - |
| At 1 April 2023 (nominal value 19p per Deferred share) | 18,226,300 | 3,462,997 | - |
| At 1 April 2023 (shares purchased into Treasury) | - | (133,740) | - |
| At 1 April 2023 (nominal value of Share Premium) | - | - | 418,057 |
| **At 31 March 2024 (nominal value 1p per Ordinary share)** | **37,655,266** | **3,523,547** | **418,057** |

On 29 July 2021, as part of a capital restructuring in preparation for the IPO, the 182,263 issued shares of £20 each were subdivided and redesignated into 18,226,300 1p ordinary shares and 18,226,300 19p deferred shares. At 31 March 2023 there were 19,428,966 ordinary 1p shares and 18,226,300 19p deferred shares in issue. The deferred shares have been compulsorily acquired by the Company Secretary and held on behalf of the Company.

## *NOTES TO THE FINANCIAL STATEMENTS - continued*
## *FOR THE YEAR ENDED 31 MARCH 2024*

**21 Share Based Payments Reserve**

| | **2024** | **2023** |
|---|---|---|
| | **£** | **£** |
| Opening balance at beginning of the year | 13,892 | 51,585 |
| Share options which have not met vesting conditions | - | - |
| New share options issued in the year | - | 5 |
| Movement in estimate of expected exercised options | (9,161) | (37,698) |
| **Total - company, and Group** | **4,731** | **13,892** |

The board believes that share ownership by Directors and staff strengthens the links between their personal interest and those of investors. These relate to the ability to purchase ordinary shares in the Company. The estimated fair value of the options in issue was calculated by applying the Black-Scholes option pricing model as being a recognised and reliable valuation method. The company reviews the likelihood of future leavers and the calculation of the year-end liability is based on the estimated option holders that will still be entitled to exercise options in the future.

As at 31 March 2024, there were 11,065,600 share options and warrants in issue to purchase ordinary shares of the Company (2023: 11,065,600). The options were issued to staff in addition to performance-based payments. Options are issued as an incentive to deliver long-term shareholder returns.

Share options and warrants outstanding at the end of the year are as follows:

| Grant date | 01.04.2021 | 01.04.2021 | 01.04.2021 | 01.04.2021 | 01.04.2021 | 01.04.2021 | 01.04.2021 | 01.04.2021 | 01.04.2022 |
|---|---|---|---|---|---|---|---|---|---|
| At 01.04.2023 | 6,471,500 | 471,500 | 364,400 | 471,500 | 857,200 | 21,500 | 63,000 | 1,430,000 | 915,000 |
| Granted | - | - | - | - | - | - | - | - | - |
| Exercised | - | - | - | - | - | - | - | - | - |
| Vested / expired | - | - | - | - | - | - | - | - | - |
| At 31.03.2024 | 6,471,500 | 471,500 | 364,400 | 471,500 | 857,200 | 21,500 | 63,000 | 1,430,000 | 915,000 |
| Exercise price | £0.0233 | £0.0233 | £0.0466 | £0.1015 | £0.1166 | £0.1633 | £0.2500 | £0.2100 | £0.2500 |
| Expiry date | 01.04.2031 | 01.04.2031 | 01.04.2031 | 01.04.2031 | 01.04.2031 | 01.04.2031 | 01.04.2031 | 01.06.2031 | 01.04.2031 |
| Estimated fair value of options | 0.0372 | 0.0371 | 0.0154 | 0.0002 | 0.0001 | - | - | - | - |
| Share-based payment reserve | £2,407 | £1,751 | £559 | £10 | £4 | - | - | - | - |

The estimated fair value of the options and warrants in issue was calculated by applying the Black-Scholes option pricing model. The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

The assumptions used in the calculations were as follows:

| | |
|---|---|
| **Share price at date of grant** | £0.21 |
| **Exercise Price** | see above table |
| **Expected Volatility** | 10% |
| **Expected dividend** | 0% |
| **Contractual life** | 10 years except options granted in year 2022/23 is 9 years |
| **Risk Free Rate** | 0.3% |
| **Estimated fair value of option** | see above table |

## *NOTES TO THE FINANCIAL STATEMENTS - continued*
## *FOR THE YEAR ENDED 31 MARCH 2024*

The movement in share-based payment reserve for warrants was (£9,161) (2023: (£37,693))

At 31 March 2024 there were outstanding VSA Capital Group plc options and warrants due to the Directors as follows:

| | Number of shares | Granted Date | Exercise Price | Exercise period |
|---|---|---|---|---|
| Andrew Monk | 2,914,300 | 01.04.2021 | 2.33p | Open-ended |
| | 20,000 | 01.04.2021 | 25p | 01.04.2021 – 01.04.2031 |
| | 200,000 | 01.04.2021 | 21p | 01.04.2021 – 01.06.2031 |
| | 100,000 | 01.04.2022 | 25p | 01.04.2022 – 01.06.2031 |
| Andrew Raca | 3,557,200 | 01.04.2021 | 2.33p | Open-ended |
| | 20,000 | 01.04.2021 | 25p | 01.04.2021 – 01.04.2031 |
| | 200,000 | 01.04.2021 | 21p | 01.04.2021 – 01.06.2031 |
| | 100,000 | 01.04.2022 | 25p | 01.04.2022 – 01.06.2031 |
| Mark Steeves | 257,200 | 01.04.2021 | 10.15p | 01.04.2021 – 01.04.2031 |
| | 50,000 | 01.04.2021 | 21p | 01.04.2021 – 01.06.2031 |
| | 25,000 | 01.04.2022 | 25p | 01.04.2022 – 01.06.2031 |
| Marcia Manarin | 428,600 | 01.04.2021 | 11.66p | 01.04.2021 – 01.04.2031 |
| | 200,000 | 01.04.2021 | 21p | 01.04.2021 – 01.06.2031 |
| | 100,000 | 01.04.2022 | 25p | 01.04.2022 – 01.06.2031 |

### 22 Profit & Loss Per Share

| | As at 31 March 2024 Audited | As at 31 March 2023 as restated Audited |
|---|---|---|
| **Basic** | | |
| Profit/ (Loss) for the period attributable to owners of the Company (£) | **(2,694,457)** | 251,203 |
| Weighted average number of shares: | 37,655,266 | 37,655,266 |
| **Basic earnings/(loss) per share (pence):** | **(7.2)** | **0.7** |
| **Diluted** | | |
| Profit/ (Loss) for the period attributable to owners of the Company (£) | **(2,694,457)** | 251,203 |
| Weighted average number of shares: | 37,655,266 | 48,720,866 |
| **Diluted earnings/(loss) per share (pence):** | **(7.2)** | **0.5** |

Share options granted to employees could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted earnings per share as they are antidilutive for the period presented. The weighted number of shares used in the calculation of basic and diluted earnings per share is the same for continuing and total earnings per share calculations.

## *NOTES TO THE FINANCIAL STATEMENTS - continued*
## *FOR THE YEAR ENDED 31 MARCH 2024*

**23 Financial Instruments**

The Group's financial assets comprise cash and cash equivalents, listed securities, unlisted securities and trade and other receivables which arise directly from its operations. As at 31 March 2024, there were £426,593 of overdue trade receivables (2023: £134,739). No other financial assets were past due or were impaired except as described below.

***Categories of financial instruments at 31 March 2024***

| | | |
|---|---|---|
| **Financial assets** | | |
| *Financial assets at amortised costs:* | | |
| Trade and other receivables: | Group: £797,558 (2023: £381,464) | Company £233,057 (2023: £49,041) |
| Cash and bank balances: | Group: £229,264 (2023: £1,273,122) | Company £24,560 (2023: £267,292) |
| Financial assets at FV through Profit & Loss: | Group: £374,970 (2023: £2,141,416) | Company £2,684 (2023: £6,322) |
| **Total Financial assets** | **Group: £1,401,792 (2023: £3,796,002)** | **Company £260,301 (2023: £322,655)** |

| | | |
|---|---|---|
| **Financial liabilities** | | |
| *Financial liabilities at amortised costs:* | | |
| Trade and other payables: | Group: £512,002 (2023: £529,199) | Company £12,746 (2023: £26,996) |
| Lease liabilities: | Group: £216,836 (2023: £433,396) | Company £Nil (2023: £Nil) |
| **Total Financial liabilities** | **Group: £728,838 (2023: £962,595)** | **Company £12,746 (2023: £26,996)** |

The Group's exposure to various risks associated with the financial instruments is discussed below. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally payable in 60 days and are therefore all classified as current. Trade receivables are recognised at the amount of consideration that is unconditional. Trade receivables are reviewed for impairment and the carrying value is the net consideration expected to be received. Due to the short-term nature of the trade receivables their carrying value is considered to be the same as their fair value.

Other financial assets are measured at amortised cost and include other receivables, accrued income, prepayments and VAT are classified as current. Due to the short-term nature of these financial assets their carrying value is considered to be the same as their fair value.

Cash and cash equivalents include £84,715 of cash at bank and in hand (2023: £35,596) and £144,549 of deposits at call (2023: £1,237,526). Term deposits are presented as cash equivalents if they have maturity of three months or less from the date of acquisition and are repayable with 24 hours' notice with no loss of interest.

Trade and other payables include trade payables of £264,245 (2023: £36,102), taxes and social security of £58,167 (2023: £103,901), other payables of £20,148 (2023: £477) and accruals and deferred income of £169,442 (2023: £388,719). The carrying value of all these financial liabilities are considered to be the same as their fair values due to their short-term nature.

Lease liabilities are measured on a present value basis in accordance with IFRS 16. The carrying value at 31 March 2024 is £216,836 (2023: £433,396). £216,836 (2023: £216,566) is shown as a current liability due within a year and £Nil (2023: £216,830) is due over a year. Lease liabilities are described in detail in note 18.

***Capital risk management***
The Company manages its capital to ensure that it will be able to continue as a going concern while maximising returns to shareholders. It is the current strategy of the Company to finance its activities from existing equity and reserves and by the issue of new equity if required. The Company is also required to maintain a certain amount of capital to meet the requirement of the regulator the Financial Conduct Authority, of which the Company is a member.

***Other risks management***
The Company's operations expose it to a variety of financial risks that include the effects of changes in liquidity risk, credit risk and market price risk. As all the Company's assets and liabilities are denominated in sterling it is not exposes to any material foreign exchange risk.

## NOTES TO THE FINANCIAL STATEMENTS - continued
## FOR THE YEAR ENDED 31 MARCH 2024

***Credit risk***
The credit risk on accounts receivable is monitored by senior management. To limit exposure to credit risk, many engagements require that fees are paid in advance of any activity being undertaken. Corporate finance activities are engaged on the basis that funds are received on a regular basis with the balance of funds due on funding completion which therefore minimises credit risk.

***Liquidity risk***
Ultimate responsibility for liquidity risk management rests with the board of Directors, which has devised an appropriate strategy for liquidity risk management. The Group manages its liquidity risk by maintaining adequate reserves and cash resources to meet its day-to-day requirements and by the preparation of timely management information including projections and cashflow forecasts. In the view of the Directors, the key risk is in meeting short term cash flow needs. All amounts repayable on demand or within three months are covered by the Group's cash and accounts receivable balances, which gives the Directors confidence that funds will be available to settle liabilities as they fall due.

The carrying amount of trade and other payables of £512,002 in respect of the Group and £12,746 in respect of the company (2023: £529,199 Group, £26,996 company) are repayable within one year and is equal to the future contractual undiscounted cash flows. The carrying amount of borrowings in respect of the Group is £216,836 at 31 March 2024 (2023: £433,396) - the contractual undiscounted cash flows in respect of Group borrowing amount to £217,005 (2023: £434,005) of which £217,005 (2023: £217,006) is repayable within one year and £Nil (2023: £216,999) is repayable between one and five years.

***Market price risk***
The Company's exposure to market price risk mainly arises from potential movements in the fair value of its investments. The management meets regularly to consider investment strategy in respect of the company's portfolio.

***Sensitivity analysis***
Financial instruments affected by market price risk include the company's portfolio of listed investments. The following analysis, required by IFRS 7 Financial Instruments: Disclosures, is intended to illustrate the sensitivity of the Company's financial instruments (as at year end) to changes in Global Stock Market Indices.

The following assumptions were made in calculating the sensitivity analysis:
- All income statement sensitivities will impact equity
- All insignificant volume of equities within the Company's portfolio are denominated in other currencies
- The impact of foreign exchange risk has not been considered as the value risk is not considered to be material
- All equity indices, regardless of location, will either increase or decrease in similar proportions

***Income Statement/Equity Impact Analysis***
As at 31 March 2024, the company held listed equities valued with a fair value of £374,970 (2023: £2,141,416). The sensitivity to significant movements in Global Equity Market Indices are as follows:

| Global Equity Market Indices | 2024 | 2023 |
|---|---|---|
| +5% | 18,749 | 107,071 |
| -5% | (18,749) | (107,071) |
| -10% | (37,497) | (214,142) |
| -15% | (56,246) | (321,212) |

The above sensitivities are calculated with reference to equities held on 31 March 2024. The volume and sector mix of the company's equity portfolio will change depending on company's investment appetite and availability of funding.

***Fair value measurements recognised in the statement of financial position***
The table below provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## *NOTES TO THE FINANCIAL STATEMENTS - continued*
## *FOR THE YEAR ENDED 31 MARCH 2024*

| | Level 1 (£) | Level 2 (£) | Level 3 (£) | Total (£) |
|---|---|---|---|---|
| **Financial assets at FVTPL:** | | | | |
| Quoted Securities | 275,862 | - | 99,108 | **374,970** |
| Unquoted securities | - | - | - | **-** |

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Valuation Techniques applied to Level 3 Financial Instruments.

Level 3 Financial Instruments comprise unquoted equity investments in private companies. Valuation will be based on the following:

- Last known sales of price of the instrument (if a sale of the financial instrument has occurred between a willing buyer and seller within 12 months of balance sheet date)
- Directors' valuation

### 24 Prior period adjustment

Following the amendment to IAS 12 relating to Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023), a prior year adjustment has been made to recognise the deferred tax asset of £108,349 at 31 March 2023 (£148,777 at 1 April 2022) relating to the lease liability and deferred tax liability of £117,225 at 31 March 2023 (£161,313 at 1 April 2022) relating to the right of use asset from the beginning of the earliest comparative period. This has resulted in a decrease to retained earnings of £12,536 at 1 April 2022. The subsequent adjustment in 2023 then increased retained earnings at 31 March 2023 by £3,660.

### 25 Related party transactions

**VSA Capital Limited**
During the year, the company received invoices totalling £Nil from VSA Capital Limited, its subsidiary undertaking, for disbursements (2023: £111).

The company received an invoice from VSA Capital Limited for £3,000 in relation to corporate adviser fees (2023: Nil).

VSA Capital Limited incurred costs on behalf of the company of £155 during the year, in respect of Companies House filing costs, LSE renewal fees and domain renewal fees.

During the year the company invoiced VSA Capital Limited £nil (2023: £40,000) in relation to management fees.

At 31 March 2024, VSA Company Limited owed the company £232,016 (2023: Nil).

**Shanghai Mining Club Limited**
Shanghai Mining Club Limited, trading as Shanghai Mining Club, was launched in conjunction with other parties, to provide services to mining companies internationally, giving them access to the Chinese mining and financial community and market intelligence.

VSA Capital Limited owns 40% of Shanghai Mining Club Limited. During the current financial year, VSA Capital Limited raised invoices totalling £15,000 to Shanghai Mining Club Limited in respect of management fees (2023: £26,423 in respect of disbursements and service charges).

VSA Capital Limited incurred costs on behalf of Shanghai Mining Club Limited of £241 during the year, relating to Companies House filing and domain renewal fees.

At 31 March 2024, VSA Capital Limited owed Shanghai Mining Club Limited £19,671 (2023: Nil).

*NOTES TO THE FINANCIAL STATEMENTS - continued*
*FOR THE YEAR ENDED 31 MARCH 2024*

**Everest Global Plc**
During the year, VSA Capital Limited raised invoices totalling £2,336 (2023: £31,928) to Everest Global Plc, a company where Andrew Monk was a director, for financial advisory services and recharge of Directors' fees.

At 31 March 2024 Everest Global Plc owed VSA Capital Limited £4,672 (2023: £2,336).

**Pure Reports Limited**
At 31 March 2024, Pure Reports Limited, a company 100% owned by VSA Capital Limited, owed VSA Capital Limited £1,090 (2023: £1,077).

VSA Capital Limited incurred costs on behalf of Pure Reports Limited of £13 during the year, relating to Companies House filing fees.

**K2 Spice Limited**
At 31 March 2024, K2 Spice Limited, a company 40% owned by VSA Capital Limited, owed VSA Capital Limited £1,069 (2023: £1,026).

VSA Capital Limited incurred costs on behalf of K2 Spice Limited of £43 during the year, relating to Companies House filing fees.